

# EXHIBIT 1

Robert Klugman – January 28, 2021

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1                   UNITED STATES DISTRICT COURT  
2                   SOUTHERN DISTRICT OF NEW YORK  
3                   CASE NO. 18-MD-2865 (LAK)

4                 IN RE: )  
5                 )  
6                 CUSTOMS AND TAX ADMINISTRATION OF )  
7                 THE KINGDOM OF DENMARK )  
8                 (SKATTEFORVALTNINGEN) TAX REFUND )  
9                 SCHEME LITIGATION )  
10                 ) )  
11                 This document relates to case nos. )  
12                 19-cv-01783; 19-cv-01788; 19-cv-01794; )  
13                 19-cv-01798; 19-cv-01918 )  
14                 ) )

15                 REMOTE VTC VIDEOTAPED DEPOSITION UNDER ORAL  
16                 EXAMINATION OF  
17                 ROBERT KLUGMAN

18                 DATE: January 28, 2021

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25                 REPORTED BY: MICHAEL FRIEDMAN, CCR

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1           A    Well, this concerns the procedures  
2         to trade the transactions in August of 2014.

3           Q    And where did you get these steps  
4         from?

5           A    From -- which steps are you  
6         referring to? The --

7           Q    You say it's below the steps --

8           A    Yes, I see it. I'm just reading  
9         further on into the -- into the e-mail.

10                  (Witness reviewing.)

11                  I believe these were from Adam  
12         LaRosa.

13           Q    Yeah. I think in your e-mail, you  
14         say, "Adam, below is a summary of the steps  
15         we discussed last week, again as prepared by  
16         Ira and Matt" --

17           A    Okay.

18           Q    -- "with some small edits by me."

19           A    Yeah.

20           Q    Who are Ira and Matt?

21           A    Ira and Matt would have been people  
22         to help us process the transactions  
23         or -- yeah, process the transactions.

24           Q    And was there a training session  
25         that you had for Ira and Matt to go through

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1 the steps that they would need to do to  
2 process these transactions?

3 A I believe there was. Whether in  
4 person or a phone call, I don't remember.

5 Q Did you attend a meeting at  
6 Kaye Scholer's offices to go over the steps?

7 A It's possible. I don't remember  
8 exactly.

9 Q If you turn to the first page, it  
10 has the trading day.

11 Do you see that?

12 A I'm sorry. This is still in  
13 Exhibit 1777?

14 Q Yeah. It's the first page of the  
15 attachment.

16 A First page of the -- oh, where it  
17 says "trading day?"

18 Q Yes.

19 A Okay. Yeah, I'm here.

20 Q So it says, around 7:00 a.m.,  
21 "Request for liquidity?"

22 A Yes.

23 Q And what did that involve?

24 A That was to see if there was  
25 capacity to -- I'm just reading down a little

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1 further -- to buy -- to buy the equities, to  
2 buy the Danish stocks.

3 Q And they would do that by sending  
4 out an e-mail for each plan?

5 A That's my recollection, yes.

6 Q 34 e-mails at this stage.

7 Right?

8 A I guess that there must have been  
9 34 plans, I would imagine.

10 Q And each of those was requesting  
11 liquidity for that particular plan?

12 A Yes.

13 Q And then they would get a response  
14 back from the counterparty within ten minutes  
15 to an hour?

16 A That's -- so it seems, yes.

17 Q And this was a standard step that  
18 was done for all of the Danish trading  
19 transactions.

20 Right?

21 A I know this was the step that Adam  
22 helped train Matt and Ira to do.

23 Q And to the best of your knowledge,  
24 did they do it?

25 A In August, I believe they did, yes.

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1 Q Was there sometime when they  
2 stopped doing it?

3 A Yes.

4 Q And when was that?

5 A I think some -- in 2015. I don't  
6 think -- there was a different system put in  
7 place.

8 Q And how did that happen?

9 A I'm not sure how it happened.

10 Q Well, who put the different system  
11 in place?

12 A I think that was put in place by  
13 Solo to help facilitate trading.

14 Q And that effectively made Matt and  
15 Ira redundant?

16 A Yes.

17 Q And what do you know about this  
18 different system that Solo put in place?

19 A I'm not sure what you mean, what do  
20 I know about it.

21 Q When you say "a system," was it a  
22 different person, was it a computer program,  
23 was it just automation?

24 What did Solo put in place?

25 A I know it was a level of

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1           lender is the same in every case.

2           A     Yes, I see that.

3           Q     Had you ever worked with Gnosis  
4        prior to this?

5           A     No.

6           Q     So the allocations and the  
7        identities of the various counterparties was  
8        all provided by Solo. And then, that's what  
9        Matt and Ira would use in terms of populating  
10      the template that they would then use in  
11      order to process the transaction?

12          A     I missed the very first part of  
13      that question. I'm sorry.

14          Q     Yeah. So, the -- Solo would  
15      provide you with the identification of the  
16      counterparties and the allocation of the  
17      shares for each plan.

18           And Matt and Ira would then use  
19      that information to populate the template  
20      they were using to process the transaction?

21          A     Yes, that sounds right. I  
22      don't -- I really don't remember any specific  
23      template, but that sounds about right, yes.

24          Q     If you turn to Exhibit 1786?

25           MR. MAGUIRE: Mark this as 1786.

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1 automation. Whether it was, you know,  
2 completely human-driven or completely  
3 computer-driven, I'm not sure.

4 Q Okay. Are you aware of any  
5 occasion in any Danish trading transaction  
6 when any counterparty responded to the  
7 inquiry here that's at the top of this page  
8 about trading day, the request for liquidity,  
9 where any counterparty responded that there  
10 was no liquidity or they were unable to  
11 provide liquidity?

12 A I don't recall of an instance like  
13 that, no.

14 Q Are you aware of any counterparty  
15 in any Danish trading transaction ever  
16 declining to do a transaction that was  
17 proposed by any plan?

18 A I don't recall an instance of that,  
19 no.

20 Q If you could turn to Exhibit 1780?

21 MR. MAGUIRE: Mark this as 1780.

22 (Whereupon the above mentioned was  
23 marked for Identification.)

24 A Yes.

25 Q Is this an e-mail on which you were

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1 copied by Mr. Markowitz on or about  
2 February 23 of 2015?

3 A Yes, it does seem to be.

4 Q You see the subject is "Software  
5 License and New Custody Agreement?"

6 A Yes.

7 Q And it says, "Attached are the new  
8 agreements that each of the plans entered  
9 into. The first is a software license for an  
10 automated trading system."

11 Do you see that?

12 A I -- yes, I see that.

13 Q If you go to the end of the  
14 document, it appears to be the last couple of  
15 pages, are the license terms of the Octave  
16 System?

17 A Yes.

18 Q Is this the Solo automation system  
19 that Solo put in place that you referred to  
20 earlier?

21 A It seems to be, yes.

22 Q Is there anything further that you  
23 can tell us about the Octave System?

24 A (Witness reviewing.)

25 I mean, anything in specific? I

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